

FOR IMMEDIATE RELEASE

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**Notice Concerning Revision of Earnings and Dividend Forecasts
 for the Fiscal Year Ending March 31, 2009**

Leopalace21 Corporation (the Company) announces the following revisions to its full-year earnings and dividend forecast for the fiscal year ending March 31, 2009. This forecast revises the previous earnings forecast announced on May 15th, 2008.

I. Content of the Announcement

1. Revision of full-year earnings forecasts for the fiscal year ending March 31, 2009
 (April 1, 2008 through March 31, 2009)

Consolidated forecasts (Millions of yen)

	Net sales	Operating profit	Recurring profit	Net income	Net income per share
Previous forecast (A)	765,000	72,100	70,000	32,900	206.43
Revised forecast (B)	735,800	53,700	45,400	12,600	83.24
Amount change (B – A)	(29,200)	(18,400)	(24,600)	(20,300)	-
Percentage change	-3.8%	-25.5%	-35.1%	-61.7%	-
(Reference) Actual results for the fiscal year ended March 31, 2008	672,973	71,402	60,847	342	2.15

Non-consolidated forecasts (Millions of yen)

	Net sales	Operating profit	Recurring profit	Net income	Net income per share
Previous forecast (A)	758,200	71,500	69,500	32,000	200.78
Revised forecast (B)	730,400	55,100	49,200	16,200	107.02
Amount change (B – A)	(27,800)	(16,400)	(20,300)	(15,800)	-
Percentage change	-3.7%	-22.9%	-29.2%	-49.4%	-
(Reference) Actual results for the fiscal year ended March 31, 2008	666,472	71,007	61,813	3,164	19.85

2. Reasons for the Revision

Leopalace21's operating results through the end of the third quarter were basically in line with plan, but the economic situation has become increasingly serious with worsening employment, a rising yen and falling prices, and we expect further declines. Considering this business environment, we anticipated that the full-year sales for the Leopalace21 Group will fall below initial estimates.

Leopalace21 has also made the following revisions to its full-year forecast for FY09/3, taking into account the ¥6.1 billion foreign exchange loss, ¥2.7 billion loss on devaluation of investment securities, and ¥6.8 billion loss on devaluation of real estate for sales and other items recorded through the end of the third quarter.

3. Revision of annual dividend forecast for the fiscal year ending March 31, 2009

(yen)

(Base date)	Dividend per share		
	End of 2 nd quarter	End of FY	Annual
Previous forecast	30.00	30.00	60.00
Revised forecast	-	Not yet determined	Not yet determined
Actual results for the FY ending March 31, 2009	30.00	-	-
Actual results for the FY ended March 31, 2008	30.00	50.00	80.00

4. Reasons for the Revision to the Dividend Forecast

Interim dividends were paid at ¥30 per share as planned, but we anticipate that the economic situation will become increasingly severe going forward. For this reason, although we had initially planned a year-end dividend of ¥30 per share, at the present time the amount is not yet determined.

The year-end dividend amount will be determined after taking into consideration results for the full year, and will be announced as soon as the decision is finalized.

*The above revised business forecasts are based on information available to the Company at the present time. The reader should be advised that actual results may differ from these forecasts for a variety of reasons.

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